

**Dynamic Public Outreach, Smart Strategic Planning***For local governments, special districts, and the engineering, environmental and law firms that support them.***DATE:** January 5, 2020**NO OF PAGES:** 6**TO:** Christopher Deppe, President of the Board**FROM:** Martin Rauch**RE:** GM Performance Evaluation Proposal

This document contains a proposal to help Kensington Police Protection and Community Services District's Board of Directors conduct a Performance Evaluation of its General Manager.

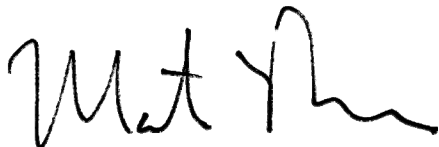
Our approach to General Manager Performance Evaluations was developed out of nearly one-half century helping Boards of Directors and Managers to work together more effectively, and recognizes that an effective performance evaluation process is helpful and necessary for both the Manager and the Board:

- For boards, it is a critical part of its oversight process that helps them understand if the District is being managed appropriately and to build an effective working relationship with the Manager.
- For managers, it helps them to know if they are accomplishing the goals and objectives desired by the Board, to develop professionally, and maintain an effective working relationship with the Board.

**Setting Up a Model and A Process.** This is a turnkey facilitated process, providing all the elements needs to conduct this initial performance evaluation and provide an agreed-upon model and timing for future evaluations. Future performance evaluations could be carried based on this model out by the Board without facilitation if desired.

I look forward to working with the Board on this important project. Please contact me if you have additional questions or would like to discuss this proposal further.

Regards,



Martin Rauch  
Rauch Communication Consultants, Inc.

# The Proposed Performance Evaluation Process

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## SOME OF THE KEY ELEMENTS OF THE PROCESS.

**Who Will Lead the Process?** Decide whether the Board President, a committee or designated board member, will work with the facilitator to take the lead in designing and facilitating the performance evaluation. We generally recommend that an ad-hoc committee be formed.

**The Entire Board Participates in the Process.** The General Manager works for the entire Board. He or she does not work for a president, committee or individual and they owe their sole employee a thorough and appropriate performance evaluation. They also owe it to their constituents, because an effective evaluation process can lead to improved performance.

**The Process Should Have the Nuance and Maturity Due to the Position.** Simple rankings and numerical scores without personal discussion and feedback are not adequate.

**Consult with Legal Counsel to Ensure the Process Remains Within Legal Requirements.** We will run this process by the District's legal counsel who will advise on the process.

**Identify the Basis for Evaluating the GM.** The appropriate place to set goals and objectives for the District is through a Board goal or strategic planning process. We understand that there is no such plan. We will identify the best alternatives for that along with other factors as described in more detail below.

## INITIAL STEPS IN THE EVALUATION PROCESS

**The GM Prepares A Summary of the Highlights of the Past Year.** The evaluation process looks back over a whole year. Because many of us are lucky to remember what happened last month, the GM should send a brief summary of the year's highlights to the governing board members in advance. This should indicate the basis for the actions: strategic planning goal or objective, personal goal, board direction or wider staff goals. These will be thoughtfully reviewed and discussed during the in-person review discussion

Some GM's use this opportunity to create an annual report designed to "sell" the GM's excellent performance. When this approach is taken, it is often accomplished by an overly long, overly done report that dominates the conversation. Instead, the GM report should be a straightforward and relatively brief (20 to 30 minutes max.) reminder of what happened, what didn't, and why that is designed to serve only as a basis for discussion.

In future performance evaluations, there will be an agreed-upon basis for the performance evaluation in a General Manager work plan that will make this element clearer cut in terms of content.

**Distribute a Review Form to the Board and GM.** The consultant will distribute a performance evaluation form to each director and the General Manager in advance of the in-person review. The form can be modified, if desired, to suit the specific needs of the District. The purpose of the form is to help the directors and GM think broadly and concretely about the performance review. However, the heart of the review is not the form, rather the in-person discussion with the GM during the facilitated performance review session. The facilitator will collect and summarize these before the in-person review.

**Interviews.** The consultant will conduct confidential one-on-one, half hour interviews following receipt of the form to clarify comments and gain a more in-depth understanding of the participants and their responses.

More information about the review form is provided on page 5.

## CONDUCT THE IN-PERSON REVIEW

### **The GM Presents His or Her Summary of the Previous Year's Events and Achievements and Self-Evaluation Form.**

**Each Board Member is Asked to Comment on His or Her View of the Manager's Performance over the Past Year.** The goal is for the GM to hear what the Board thinks of his or her performance and help him or her be more successful. It is important to focus on overall performance not on tasks. CEOs ultimately oversee thousands of tasks – the question is whether he or she is moving the organization forward effectively. Individual Directors may wish to underscore an accomplishment, offer a suggestion or make other comments that lie outside the form or report areas. In short, an honest and complete discussion of the GM's performance. The GM will be asked to share his or her perspective, too – maybe there are reasons that performance fell short or exceeded expectations in certain areas. Perhaps the manager did not always receive clear and consistent direction, and this can impact performance. At any rate, an open dialog and a frank look backward at the past year is the heart of the performance review process.

While this is not a review of the Board, boards often learn that the clarity of their direction to the manager falls short. We recommend that all Boards conduct an annual self-assessment.

**GM Presents Goals, Priorities and His Work Plan for the Coming Year. The Board Members Comment on That.** The GM presents her work plan for the year. It should have as a foundation the strategic plan if there is one. But it can also include direction from the job description, contract, staff level or personal goals, as well as any commentary about areas of suggested change to the strategic plan. For example, *the top priority of the strategic plan was X but now we see that is not possible, so I am focused on the second priority.* Conduct a discussion, gather input and seek consensus about both the strategic plan and any other key goals and objectives, including any professional development suggestions or plans. This will form the basis of the performance evaluation in the coming year.

**Board with Facilitator Support Develops Consensus Performance Review** (GM does not participate in this discussion. The GM is either excused and this is done on the spot or this is accomplished at another time). We recommend it be done at once. The Discussion in the first meeting is open, with a focus on comments by individuals. At this meeting, the Facilitator and Board President will work with the Board to develop a consensus performance evaluation in writing with the following features.

- **Rating by area and any comments.**
- **Overall performance rating / comments for GM for this evaluation period.**
- **Goals for the next review period.** This will be drafted by the GM, starting with the strategic plan and incorporating personal goals. It will be saved for the next review due to time constraints.

- **Performance improvement plan:** outline suggestions on areas to work on, possible training and on how the Board can better support GM.

The facilitator will take notes during the performance review session and helps formulate a summary of the Board's shared view of the GM's performance. Specific comments and suggestions should only be retained if they represent a majority view by the Board.

**The GM Rejoins the Board and the Results are Shared and Discussed.** The lead director will present the board's consensus evaluation. The document is placed in the file as a record of the evaluation and as a baseline for the coming year's evaluation.

**Identify the Plan, time and Place for Future Annual Reviews.**

## NEXT STEPS AND COMPENSATION

**Setting Compensation.** Compensation may or may not be set close in time to the performance evaluation but is often the next step following the performance evaluation. All decisions on compensation and benefits must be made by the entire governing body in a public meeting, which is normally scheduled immediately after or soon after the performance review.

It is common for a Board committee to design and implement a methodology for setting the compensation of the GM. Compensation is typically based on factors such as the position's requirements, GM's experience and qualifications, complexity of the job, private and public sector labor market conditions, cost of living, public acceptability, job market, total compensation package, and the organization's ability to pay, etc. Such a committee should gather the appropriate comparative and financial information and bring a recommendation forward at the Board meeting in which any compensation decision will be made. Some organizations retain compensation consultants

## Scope of Services and Costs

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**We propose to complete this project at a fixed cost of \$3,920 plus expenses as shown below and described in our proposal.**

STEP 1. Coordination with the staff and Board, interviews, planning. (4 hrs.)

STEP 2. Summarize and integrate the form submissions. (4 hrs.)

STEP 3. Plan and facilitate performance evaluation. (8 hrs.)

TOTAL ESTIMATED COST: 16 hours = \$3,920

**More Cost Estimate Details.** The client will only be charged for work actually done. It is possible that more work will need to be done or that final costs will be less. No out-of-scope work will be undertaken without prior written approval from the Agency. Out-of-scope work includes new tasks, or extra work not due to inefficiencies on our part on existing tasks, which is requested for reasons beyond RCC's control.

**Our Rates.** Consulting rate for the senior consultant is \$245 per hour. Associate consultants are \$90 to \$115 per hour. Graphic designer and webmaster services rate is \$105 per hour. Social

media and writing specialist's rate are \$45 to \$90 per hour. Rate for Administration and Production Manager is \$70 per hour.

**Travel and Expenses Additional.** Basic material expenses, including, travel expense (transportation and lodging), office printing and sales tax are additional and passed on at cost. Car mileage is at the IRS California rate at the time or actual rental car cost plus fuel.

## INSURANCE

**Professional Liability Insurance.** \$1,000,000 for Each Occurrence, \$300,000 For Damage to Rented Premises (Each Occurrence), \$10,000 Medical Expenses (Any One Person), \$1,000,000 Personal and Adv Injury, \$2,000,000 General Aggregate, and \$2,000,000 Products-Comp/OP AGG.

**Automobile Liability.** \$1,000,000 Combined Single Limit.

**Workers Compensation and Employers' Liability.** \$1,000,000 E.L Each Accident, \$1,000,000 E.L. Disease – Each Employee, \$1,000,000 E.L. Disease – Policy Limit.

**Professional Liability:** \$1,000,000 Aggregate, \$1,000,000 Each Act, \$1,000,000 Each Judgement.

## Consultants Conducting This Project

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This project will be conducted by Martin Rauch with administrative support by Lynda Boyd and Amanda Green.

## More About the Evaluation Form

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### Summary of Areas Covered by the Performance Review Form

- **Communication and relationships with the Board and Manager.**
- **Communication and relationships with external constituencies.**
- **People management.**
- **Organizational effectiveness** – administration, operations and finance.
- **Personal traits** – ability to simplify and process complex issues, stays focused under pressure, meets commitments, etc.
- **Completion of goals from strategic plan and or work plan actions.**
- **Performance improvement plan** – areas for GM to work on, possible training and how Board can better support the GM.
- **Establish future goals for performance review.**

### Example of Additional Detail in One of the Areas Summarized Above

**Organizational Effectiveness – Administration, Operations and Finance.**

- Effectively oversees, including sufficient understanding of budgeting/public finance, Agency's legal structure, and personnel.
- Understands and furthers the Agency purpose and mission through innovative problem-solving and creative strategies.
- Able to identify and deal effectively with issues that may have been unforeseen, out of Agency control, or of an urgent/emergency nature.
- Has command of critical issues, ensures regulatory compliance and keeps current in his/her profession through attendance at local professional organization meetings, training, conferences and seminars.

What has worked and what hasn't? What can be done better regarding organizational effectiveness?

## 360-Degree Evaluations

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Some clients request a 360-degree evaluation process. We do not recommend that in this case because it is more imperative to conduct a standard performance evaluation now. Below are a few notes about 360-degree reviews.

- 360 reviews are "not" performance reviews.
- 360 reviews help people develop management and interpersonal skills.
- They identify unrecognized behavior and how it affects the organization and others.
- Identify areas for development of new skills.
- Measure progress over time.

### Some key parameters for 360-degree reviews

A third party, such as someone from HR or a consultant plans and administers the 360-degree review. They also help clarify that it is not a performance evaluation, and help the subject develop a plan in response to what they learn. These reviews:

- Usually consists of confidential interviews and/or surveys of staff and peers.
- Focus on the impact of the subject's behavior and skills, not on the person.
- Require confidentiality for all the participants.